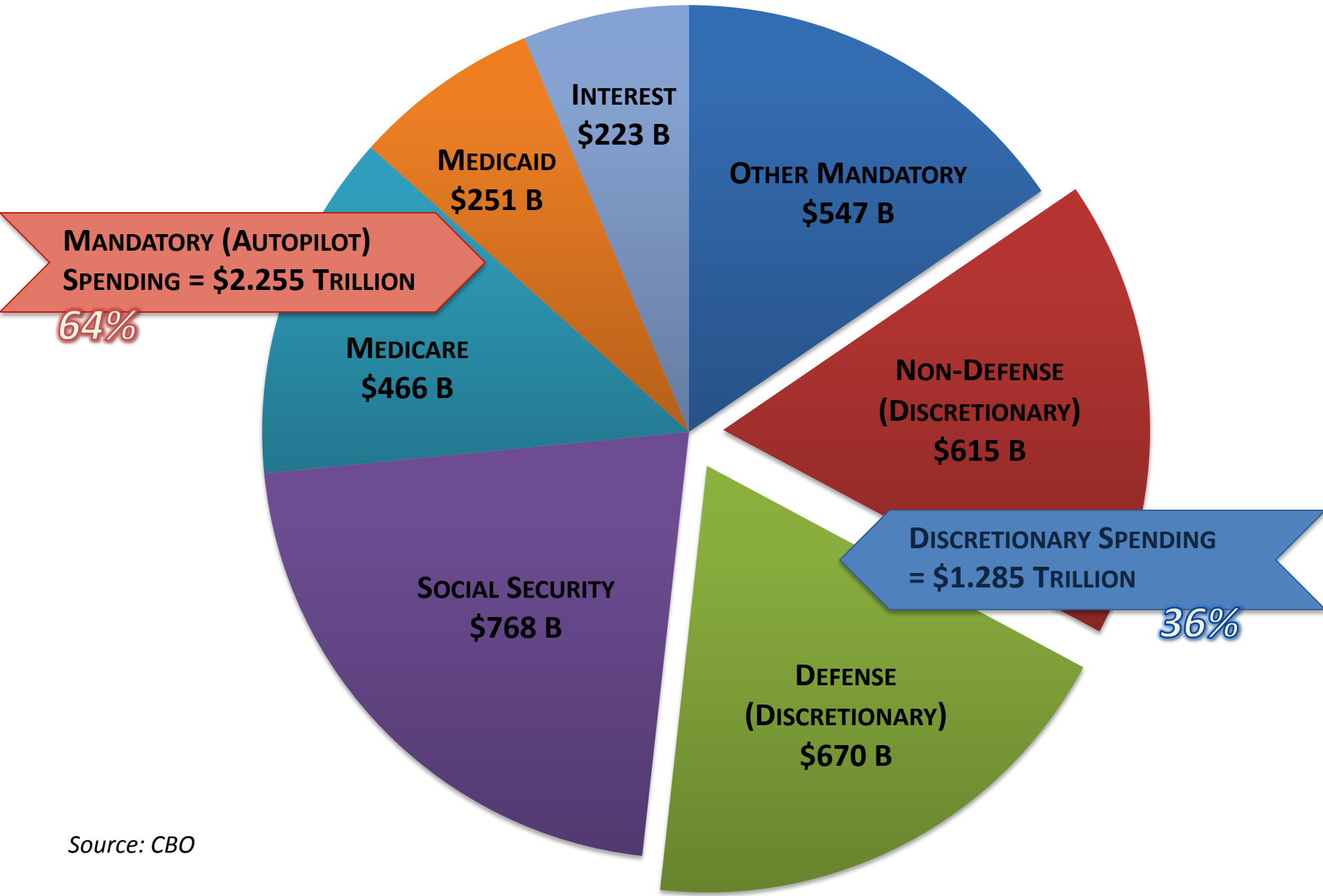


CONGRESSMAN  
**TIM GRIFFIN**  
ARKANSAS'S SECOND DISTRICT



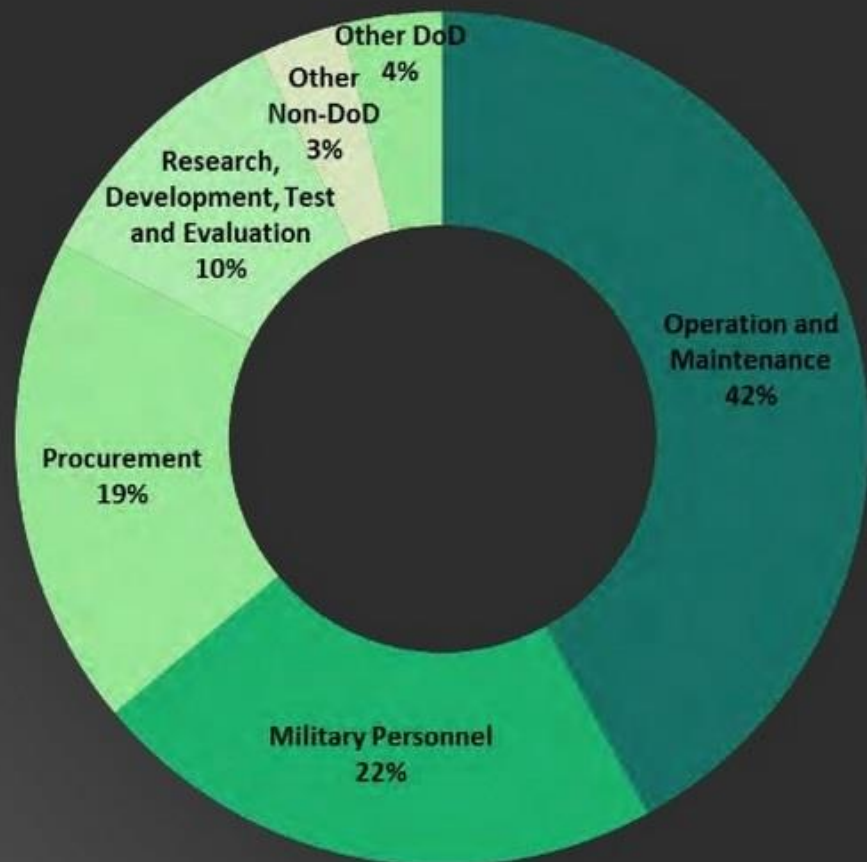
**Making Sense of the Federal Budget:  
Why It Matters to Arkansans**

# TOTAL SPENDING IN FY2012 = **\$3.54 TRILLION**

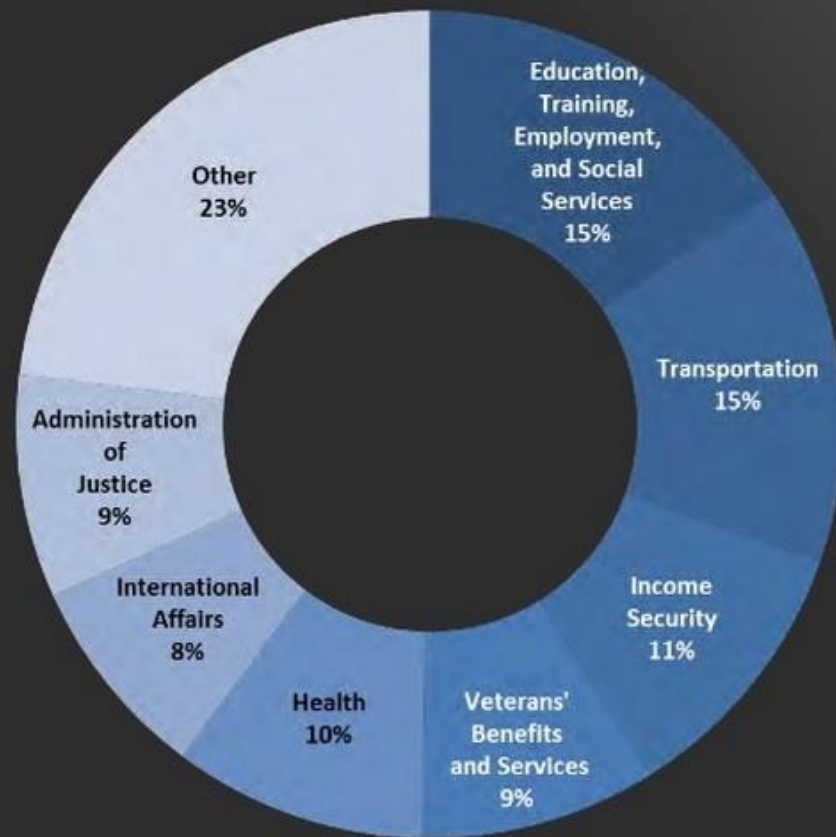


# Discretionary Spending Totaled \$1,285 Billion in 2012

**Defense  
\$670 Billion**

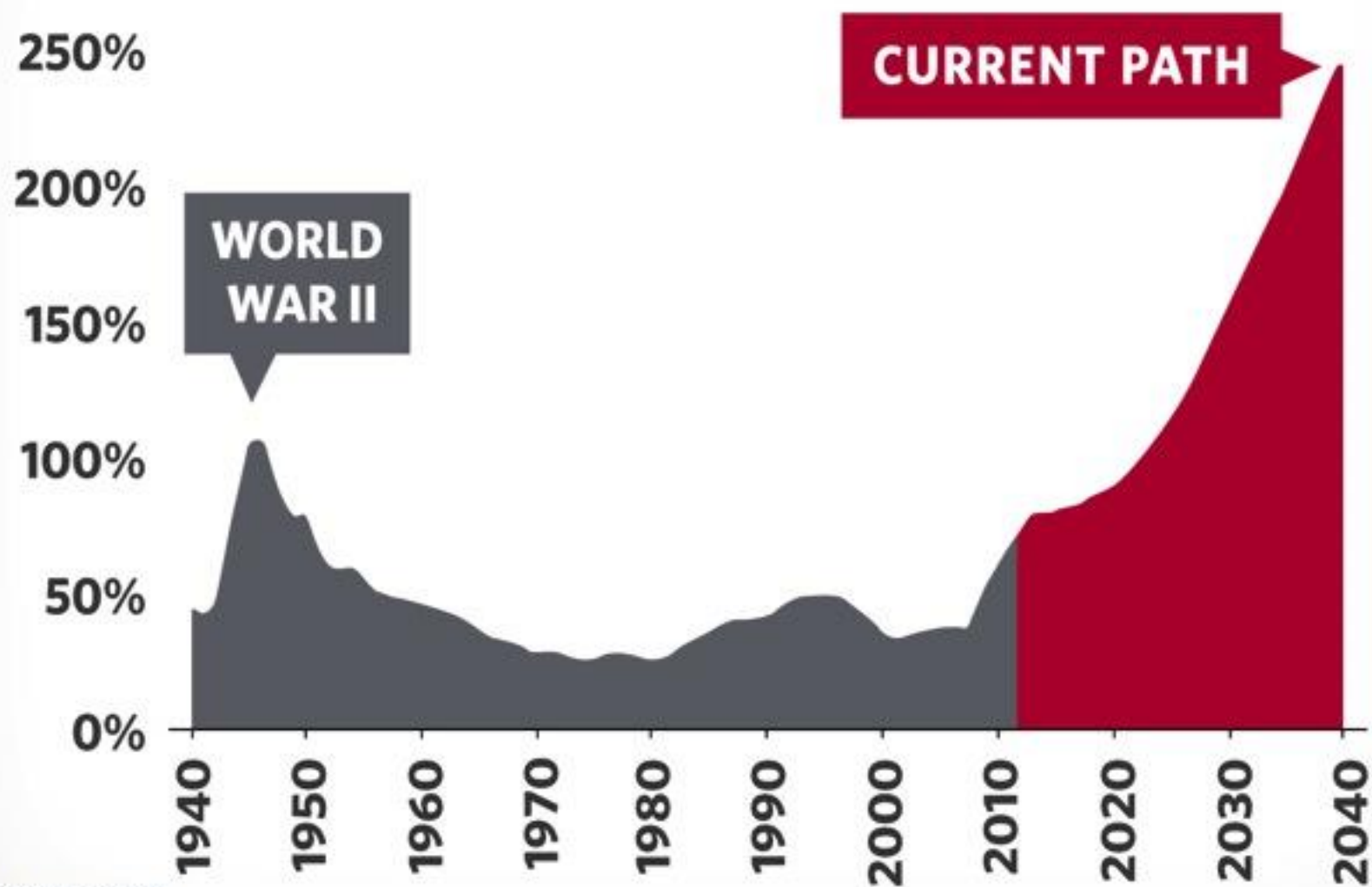


**Nondefense  
\$615 Billion**



# CRUSHING BURDEN OF DEBT

(U.S. DEBT HELD BY PUBLIC AS A SHARE OF ECONOMY)



Source: OMB/CBO

# WHO OWNS OUR DEBT?

DEBT HELD BY PUBLIC, 1970-2012



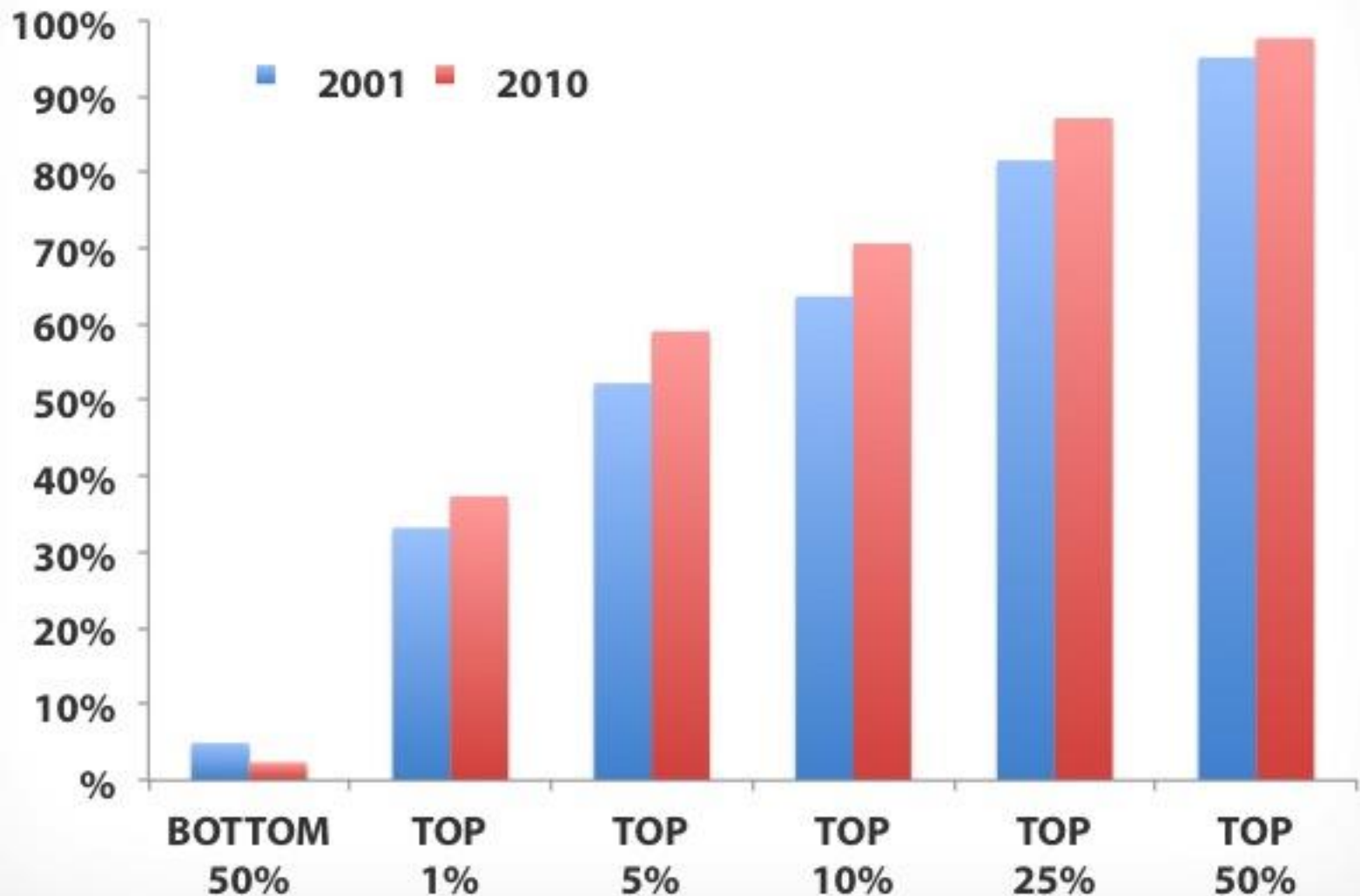


# WHY DOES THE DEBT MATTER TO YOU AND ME?

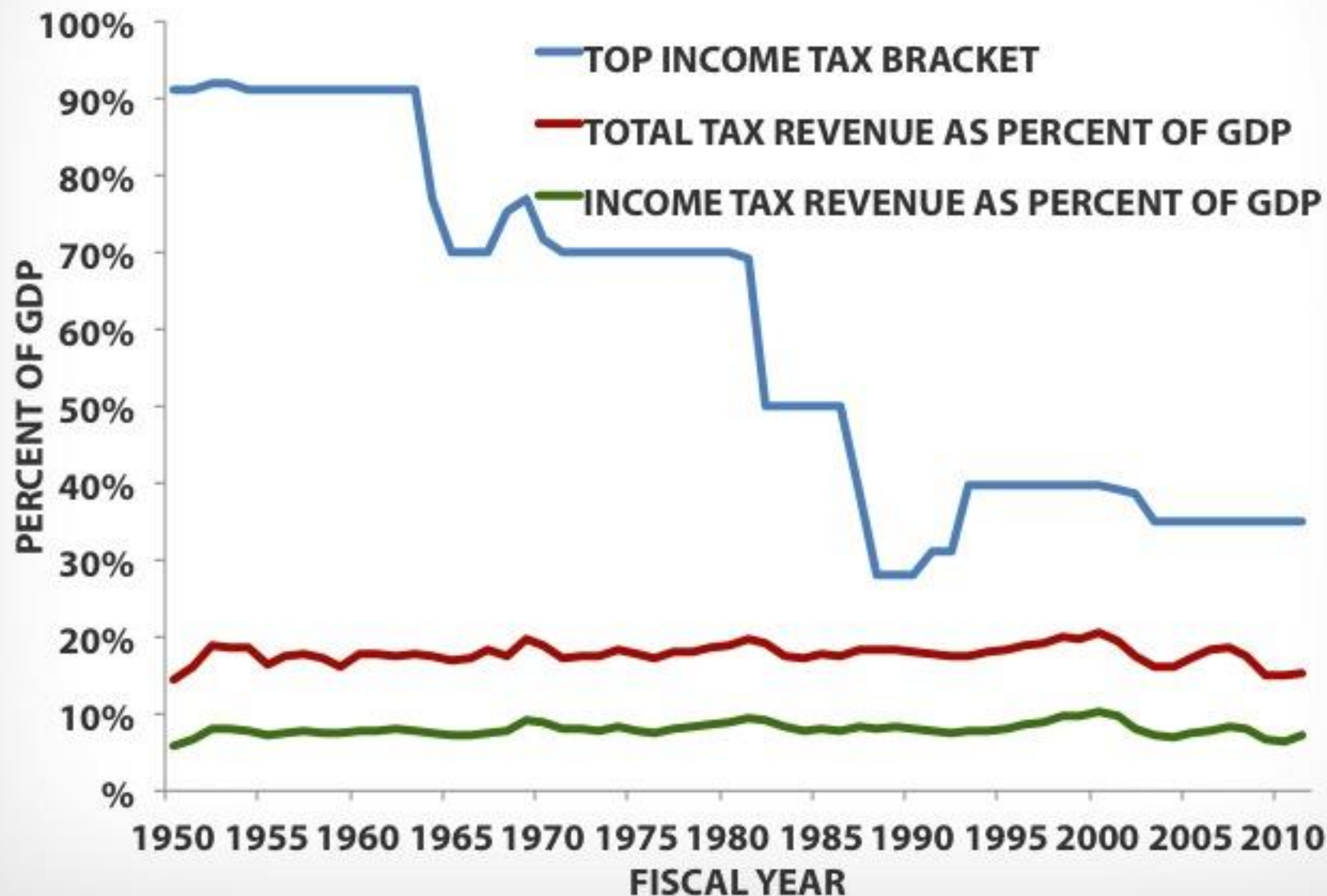


# TAX CODE MORE PROGRESSIVE AFTER TAX RELIEF

BREAKDOWN OF TAX BURDEN BY INCOME LEVEL - 2001 vs 2010

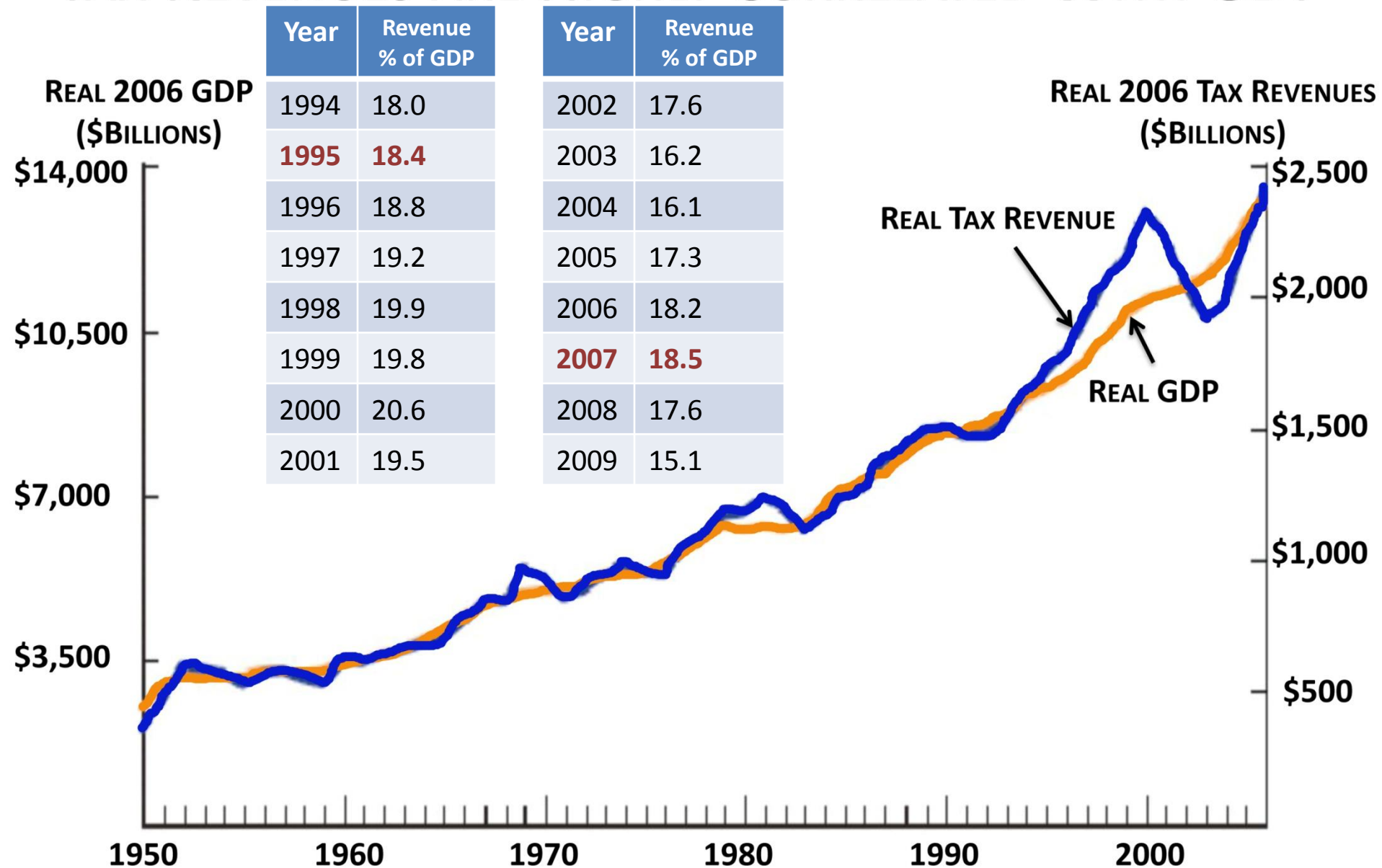


# HIGHER RATES DON'T MEAN HIGHER REVENUE



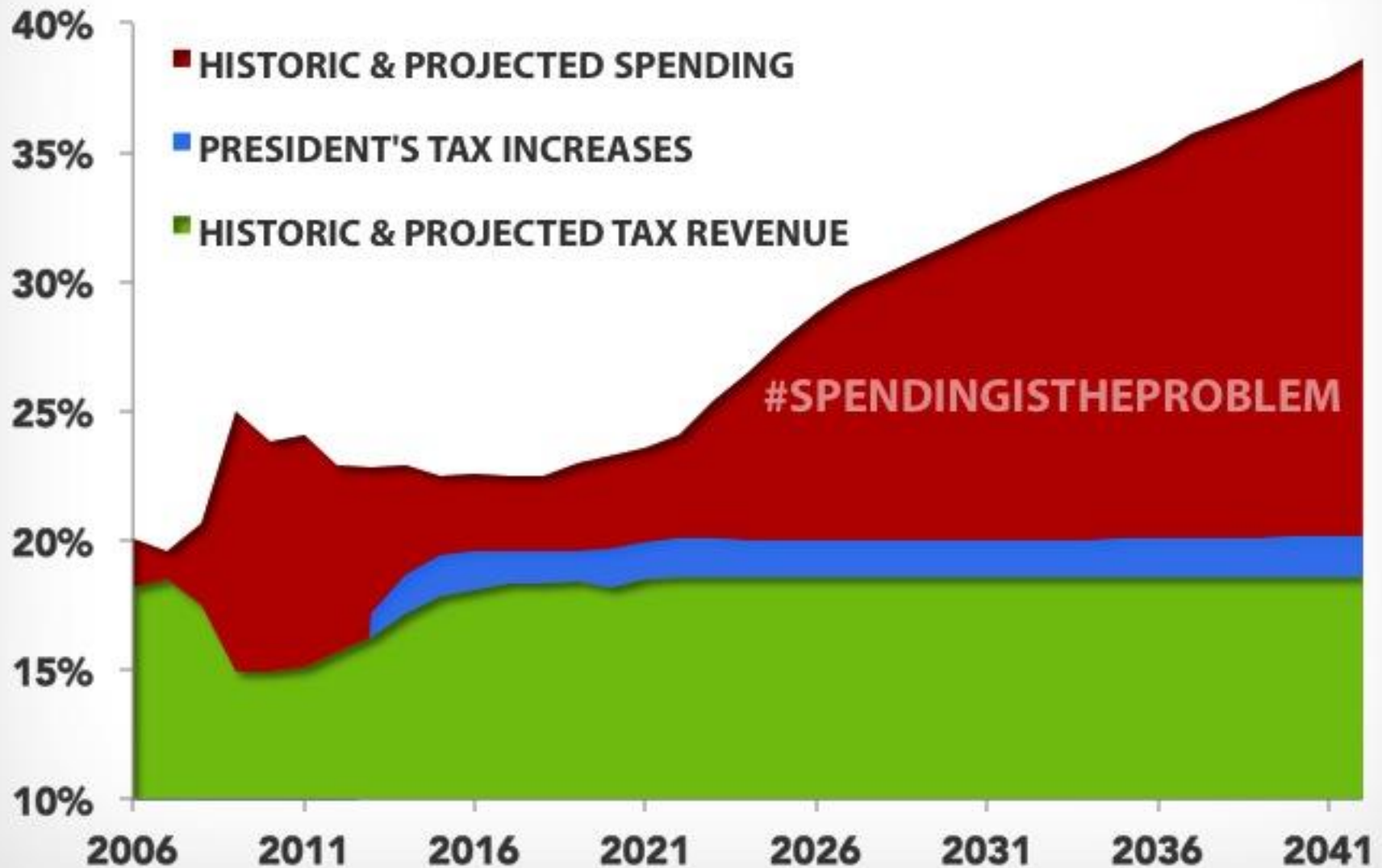


# TAX REVENUES ARE HIGHLY CORRELATED WITH GDP



# SPENDING IS THE PROBLEM

HISTORIC/PROJECTED SPENDING & REVENUE AS A PERCENTAGE OF GDP



GAME  
SCORE

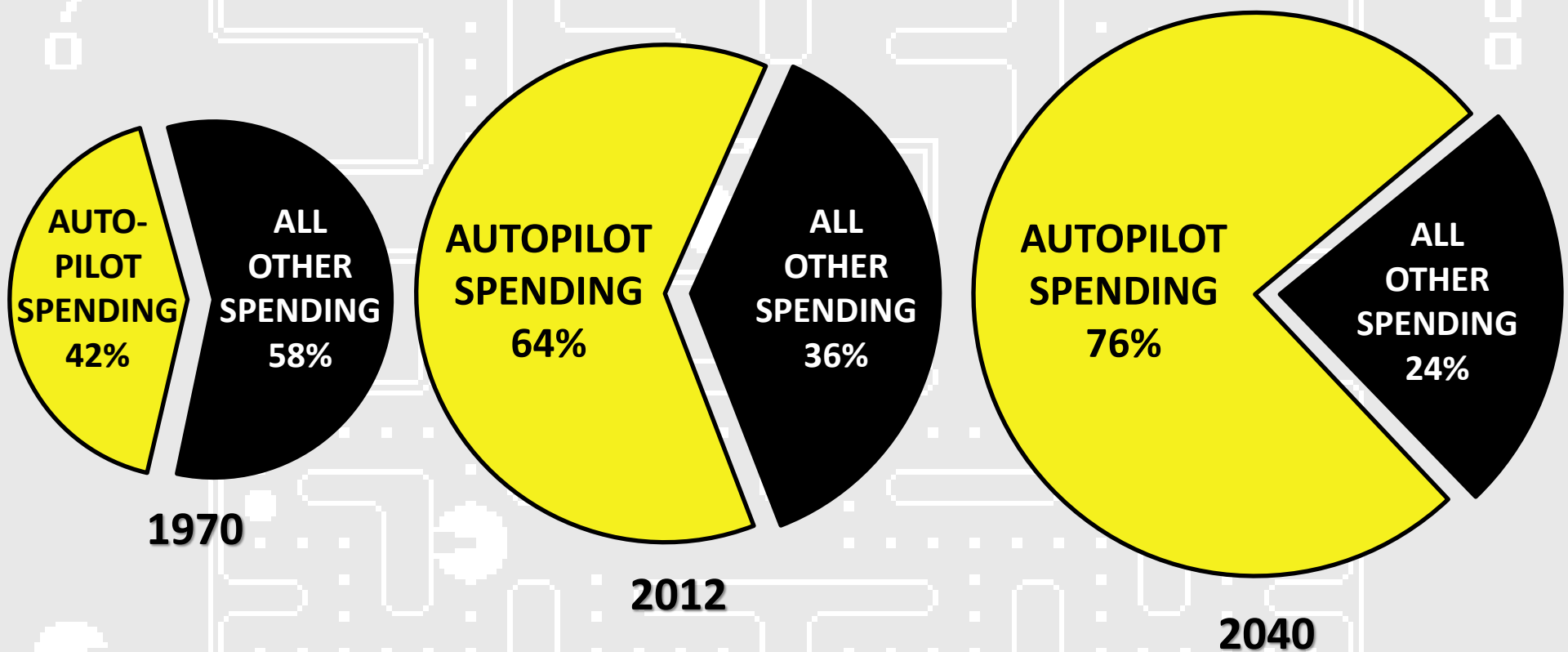
0  
0  
0  
7  
0

HIGH  
SCORE

0  
0  
0  
0  
0

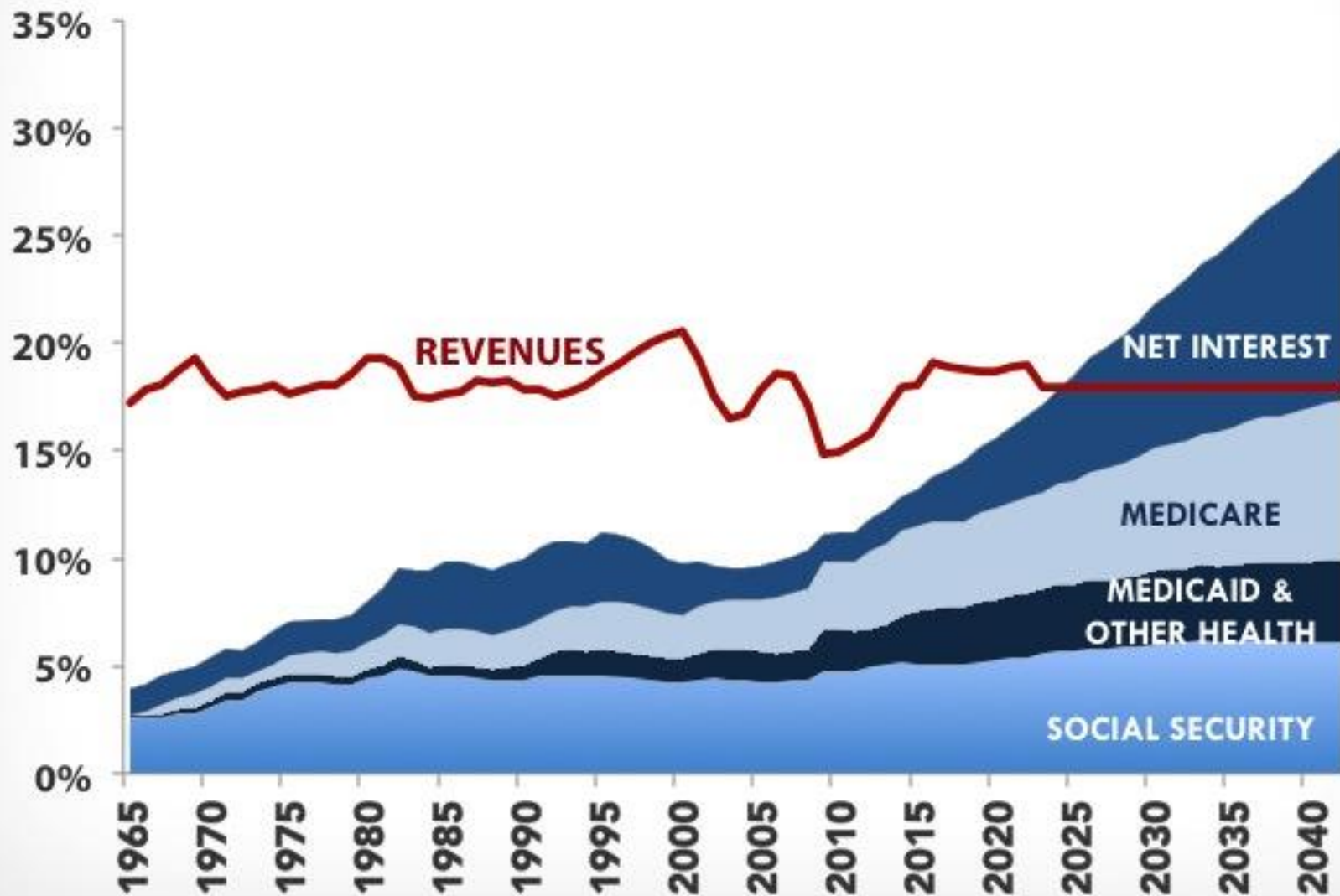
# THE PAC-MAN PROBLEM

## AUTOPILOT SPENDING DRIVES OUR DEBT



# WHAT DRIVES OUR DEBT?

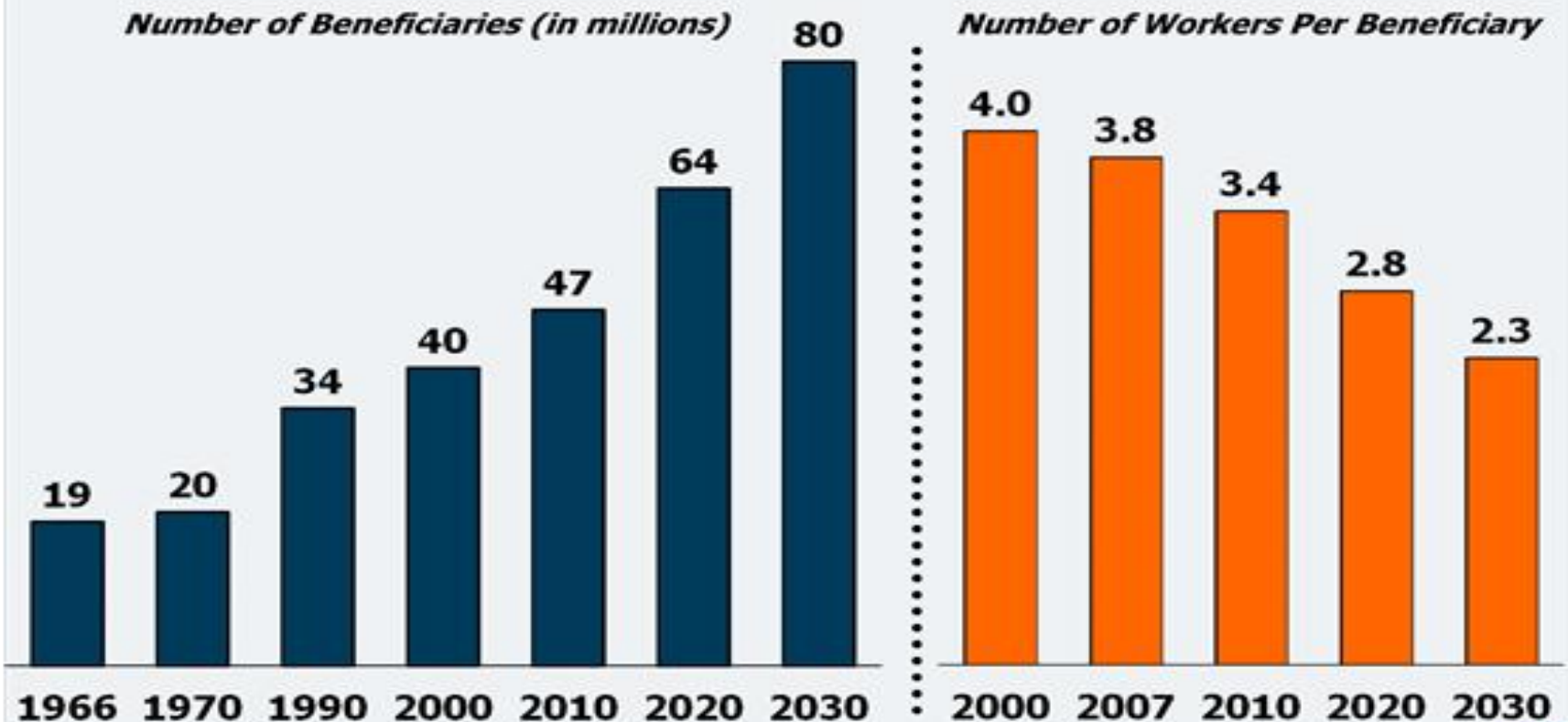
GOVERNMENT SPENDING AS A SHARE OF ECONOMY





# Medicare As We Know It – Oncoming Demographic Wave

## Historical and Projected Number of Medicare Beneficiaries and Number of Workers Per Beneficiary



SOURCE: 2010 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds.

# Senator Lieberman on Medicare

“The truth is that we cannot save Medicare as we know it. We can save Medicare only if we change it.”

(6/6/2011)

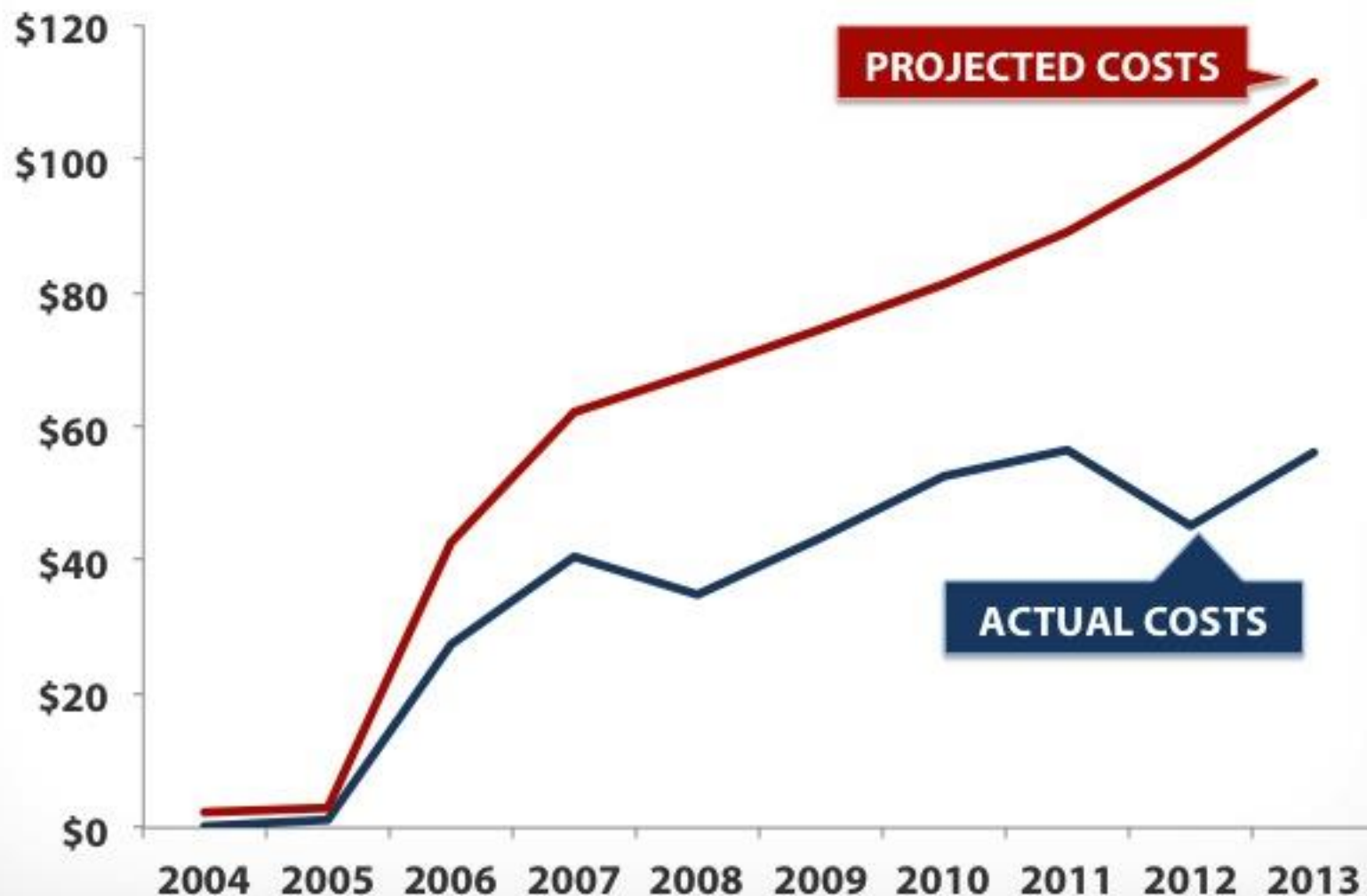
# President Obama on Medicare

“If you look at the numbers, Medicare in particular will run out of money, and we will not be able to sustain that program no matter how much taxes go up. I mean, it's not an option for us to just sit by and do nothing.”

(7/11/2011)

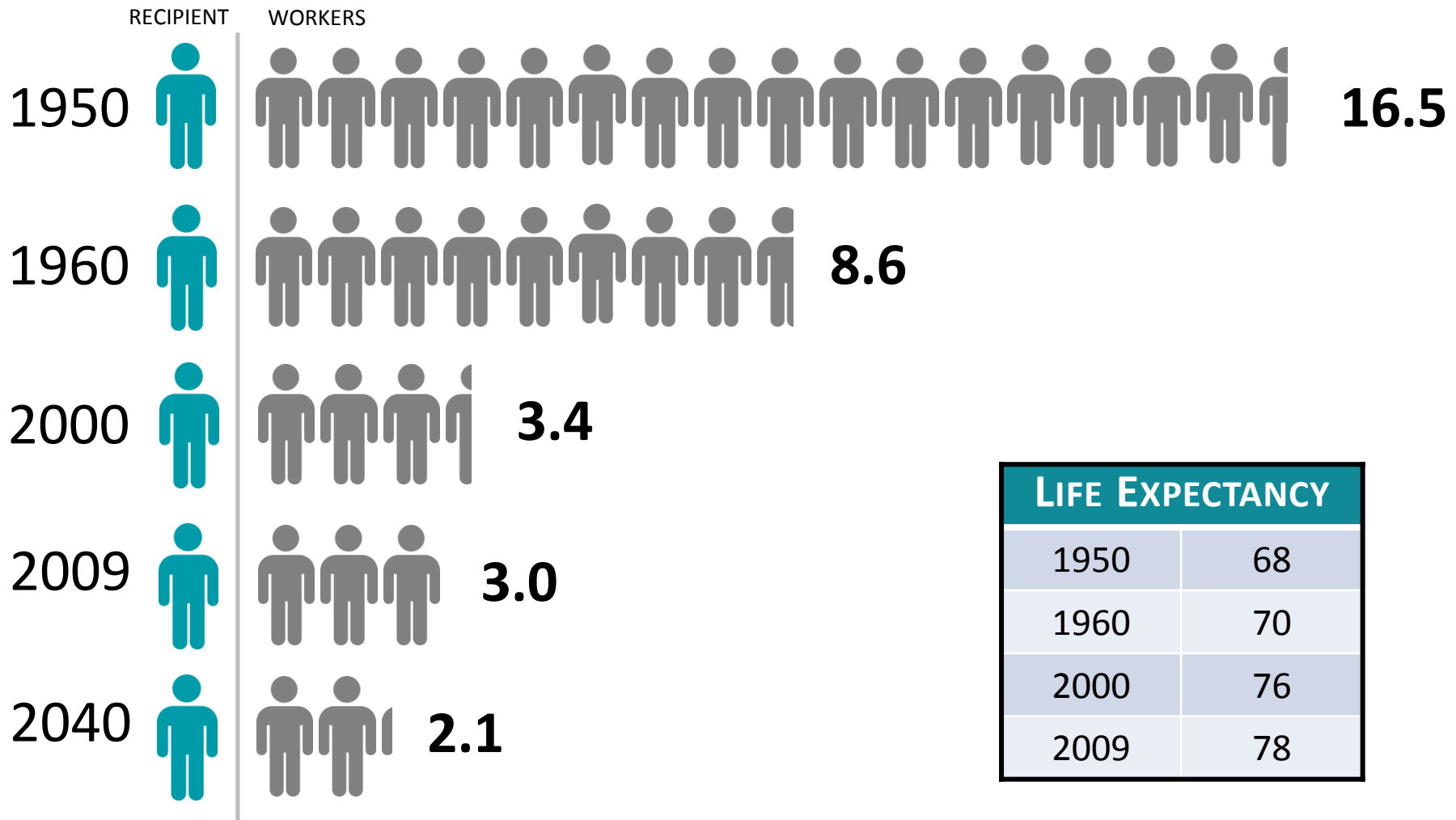
# HEALTH CARE COMPETITION AND CHOICE

## MEDICARE PART D - PROJECTED vs ACTUAL COSTS





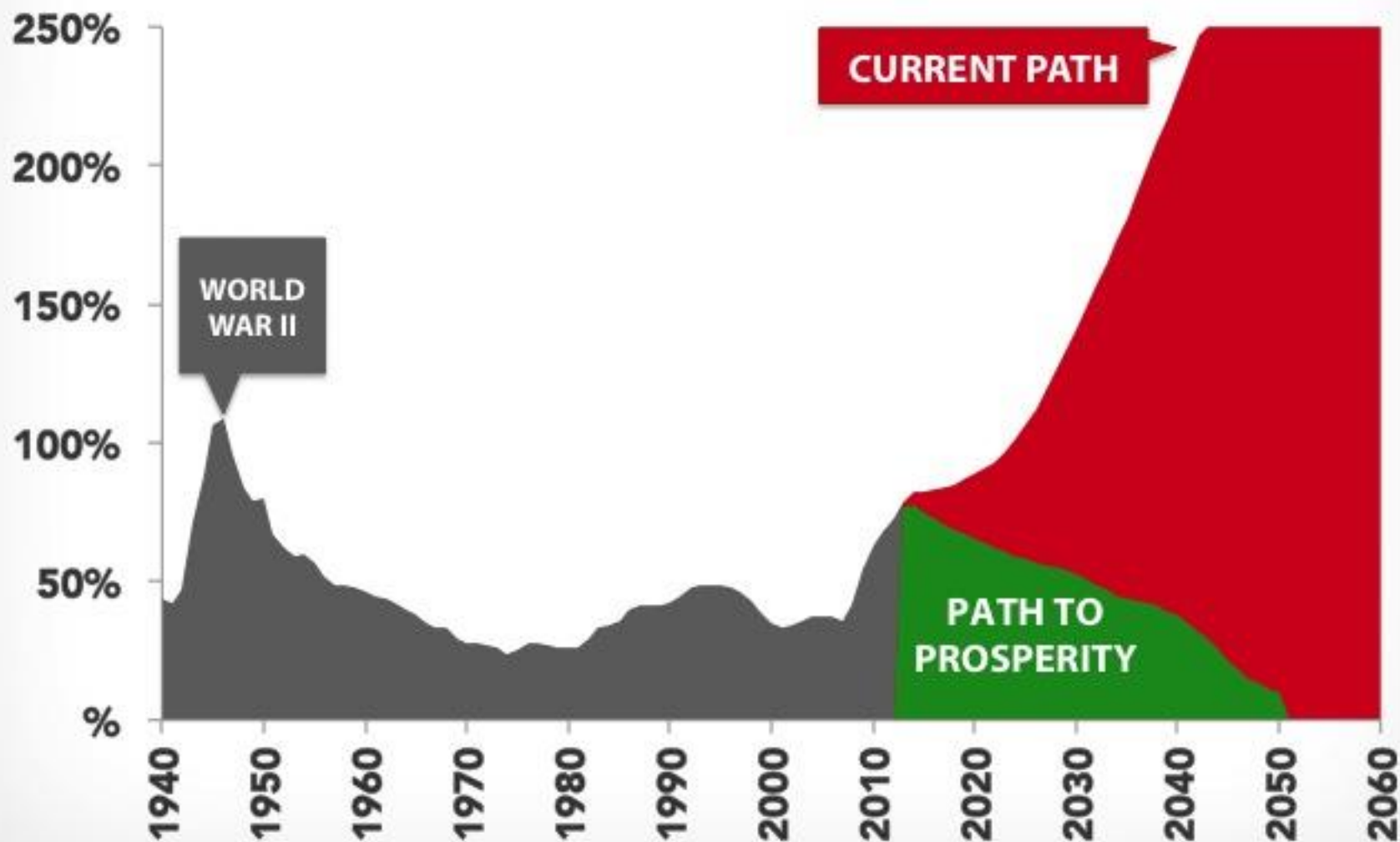
# TAXPAYERS SUPPORTING EACH SOCIAL SECURITY RECIPIENT



Source: Social Security Administration, *The 2010 Annual Report of the Board of Trustees*; Centers for Disease Control, *U.S. Life Tables*

# A DEBT-FREE FUTURE

U.S. DEBT HELD BY PUBLIC AS A SHARE OF ECONOMY



# What We Have Achieved

- For the first time since the Korean War, total federal spending has gone down for two years in a row.
- The most significant spending reductions in modern history – more significant than Ronald Reagan and more significant than Bill Clinton and Newt Gingrich.
- The Budget Control Act (BCA) was the largest spending reduction bill of the last 25 years (and perhaps ever) - \$630 billion in savings over five years all from the spending side.
- The BCA was the largest deficit control bill since 1981 not to contain a penny in tax increases.
- Successfully protected 99% of Americans from a tax increase on a permanent basis, and ensured that almost all of the Bush tax policy was made permanent, including the death tax and lower rates on capital gains and dividends.
- The budget deficit has fallen from 10.1% to 4.1% of Gross Domestic Product (GDP).

## Deficit

2012	\$1.089 trillion
2013	\$680.3 billion <i>(still more than 2008's \$458 billion, GWB's largest)</i>
Difference	\$409 billion less (37.5% less)

## Tax receipts

2012	\$2.45 trillion
2013	\$2.77 trillion
Difference	\$320 billion more (13% more)

## Total spending

2012	\$3.53 trillion
2013	\$3.45 trillion
Difference	\$80 billion less (2.2% less)